March 27, 2013

Ways and Means Committee Office Subcommittee on Health 1102 Longworth House Office Building Washington, DC 20515

Attention Chairman Kevin Brady (R-TX):

Report to Congress: Medicare Payment Policy Submission

I am pleased that the Committee will be receiving Dr. Glenn Hackbarth, Medicare Payment Advisory Commission (MedPac), to deliver a testimony on the annual review of Medicare Payment policies and related recommendations. Accord to MedPac (2013), the 2013 report includes payment policy recommendations for 10 of the health care provider sectors in fee-for-service (FFS) Medicare. MedPac also reviews the status of Medicare Advantage (MA) plans and prescription drug plans (Part D) and makes recommendations of MA special needs plans.

Whereas, I have read the 2013 Annual Report delivered to Congress, and I applaud MedPac for its quality data and sound recommendations that it makes, I do have only a few concerns with a few of the FFS payment update recommendations. It is my hopes that the Committee would address my concerns with the witness, during the hearing.

- 1. Physicians and other healthcare professionals: The Congress should repeal the substantial growth rate (SGR) system and replace it with a 10-year path of statutory feeschedule updates. This path is comprised of a freeze in current payment levels for primary care and, for all other services, annual payment reductions followed by a freeze. The Commission is offering a list of options for the Congress to consider if it decides to offset the cost of repealing the SGR system within the Medicare program. I am very concerned that if the Congress accepts the Commission's recommendation of annually reducing payments coupled with freezes, it will result in a public health crisis for America's seniors. With an increasing proportion of Baby Boomers becoming eligible for Medicare, more of this population will depend on Medicare to provide not only lower costs, but also high quality and equal access to healthcare services. Please have Dr. Hackbarth explain how the Commission recommends this is to be done. Until we get definitive effectiveness and evidenced based data from CMS Innovation Center, I humbly believe this recommendation should be postponed.
- 2. Home health agencies: The Congress should direct the Secretary to change the Medicare payment system for hospice to have relatively higher payments at the beginning of the episode and relatively lower payments per day at the length of the episode increases. Again, is there data that states that the severity of a hospice patient's condition lessens as the time progresses? I would hypothesize that as the severity worsens, palliative treatment increases, and costs rise. I am all for decreasing costs, but we must protect the right for patients to end life with comfort, dignity and respect. And, no payment reform should interfere with basic human rights or the provision of basic medical care.

Mr. Chairman, thank you kindly for reviewing my concerns. If there are any questions or concerns, I can be contacted at the means below.

Kindest Regards,

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